



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 7, 2006

S. 3722 **Naval Vessels Transfer Act of 2006**

As reported by the Senate Committee on Foreign Relations on August 1, 2006

SUMMARY

S. 3722 would authorize the transfer of 10 naval vessels to foreign countries: five by grant and five by sale. In each case, the bill identifies the vessel, the type of transfer, and the recipient country. The authority to transfer those vessels would expire two years after enactment.

CBO estimates the specified sales would increase offsetting receipts by \$60 million over the 2007-2008 period. (Asset sale receipts are a credit against direct spending.)

S. 3722 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO's estimate of the budgetary effects of S. 3722 are shown in the following table. The costs of this legislation fall within budget function 150 (international affairs). For this estimate, CBO assumes that S. 3722 would be enacted near the beginning of fiscal year 2007.

	By Fiscal Year, in Millions of Dollars										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
CHANGES IN DIRECT SPENDING											
Estimated Budget Authority	0	-10	-50	0	0	0	0	0	0	0	0
Estimated Outlays	0	-10	-50	0	0	0	0	0	0	0	0

BASIS OF ESTIMATE

S. 3722 would authorize the transfer of 10 naval vessels to foreign countries. Under the act, five specific vessels could be transferred to designated countries by grant and the other five vessels could be sold to specified countries. Based on information from the Navy regarding the value of these ships and recent experience with actual sales and grants, CBO estimates that the sales would increase offsetting receipts by \$10 million in 2007 and \$60 million over the 2007-2008 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 3722 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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